

THE EFFECTIVE DATE OF THIS ORDINANCE IS JUNE 30, 2005

ORDINANCE NO. 05-06-367

RE: Enactment of a Local Supplement to the Homeowners Property Tax Credit

PREAMBLE

State law permits the Board of County Commissioners ("Board") to authorize a local supplement to the Homeowners Property Tax Credit Program provided under Annotated Code of Maryland, Tax-Property Article, Section 9-104. Annotated Code of Maryland, TP 9-215.

Pursuant to such authority, the Board desires to grant a local supplement to qualifying homeowners and disabled veterans.

A duly advertised public hearing on this proposed Ordinance was held by the Board on May 5, 2005. The public had an opportunity to comment on the proposed Ordinance at this public hearing.

NOW THEREFORE, BE IT ENACTED AND ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF FREDERICK COUNTY, MARYLAND, that Section 1-8-65 is hereby added to the Frederick County Code to read as follows:

SECTION 1-8-65. LOCAL SUPPLEMENT TO HOMEOWNERS PROPERTY TAX CREDIT.

(A) THIS TAX CREDIT SUPPLEMENT SHALL BE KNOWN AS THE "LOCAL SUPPLEMENT TO HOMEOWNERS PROPERTY TAX CREDIT" AND IS AUTHORIZED BY, AND SUBJECT TO, THE PROVISIONS SET FORTH IN THE ANNOTATED CODE OF MARYLAND, TAX PROPERTY ARTICLE, SECTIONS 9-215 AND 9-104, EXCEPT AS SPECIFICALLY AMENDED HEREIN.

(B) EXCEPT AS OTHERWISE EXPRESSLY STATED IN THIS ORDINANCE, ALL ELIGIBILITY REQUIREMENTS, STATUTORY DEFINITIONS, RESTRICTIONS AND PROCEDURES THAT APPLY TO THE HOMEOWNERS PROPERTY TAX CREDIT GRANTED UNDER TAX-PROPERTY ARTICLE, SECTION 9-104 ALSO APPLY TO THIS LOCAL SUPPLEMENT TO HOMEOWNERS PROPERTY TAX CREDIT.

(C) DEFINITIONS:

- (1) *SDAT* MEANS THE MARYLAND STATE DEPARTMENT OF ASSESSMENTS AND TAXATION, THE AGENCY RESPONSIBLE FOR DETERMINING THE ASSESSED VALUE OF REAL PROPERTY IN THE STATE OF MARYLAND AND FOR ADMINISTERING THE TAX-PROPERTY ARTICLE, SECTION 9-104 HOMEOWNERS PROPERTY TAX CREDIT AND FOR LOCAL SUPPLEMENTS TO THIS HOMEOWNERS TAX CREDIT.

- (2) *TOTAL REAL PROPERTY TAX* MEANS THE PRODUCT OF THE SUM OF ALL PROPERTY TAX RATES ON REAL PROPERTY, INCLUDING SPECIAL TAXING DISTRICTS SUCH AS THOSE FOR FIRE AND RESCUE AND LIGHTING SERVICES, BUT NOT INCLUDING STATE AND MUNICIPAL DISTRICT RATES, FOR THE TAXABLE YEAR ON A DWELLING, MULTIPLIED BY THE LESSER OF THE ASSESSED VALUE OF THE DWELLING AS DETERMINED BY SDAT OR \$300,000, AND THEN REDUCED BY ANY PROPERTY TAX CREDIT GRANTED UNDER TAX-PROPERTY ARTICLE, SECTION 9-105.
- (D) THE AMOUNT OF THE LOCAL SUPPLEMENT TO THE HOMEOWNERS PROPERTY TAX CREDIT IS THE TOTAL REAL PROPERTY TAX ON A DWELLING, LESS:
- (1) THE PERCENTAGE OF THE COMBINED GROSS INCOME OF THE HOMEOWNER CALCULATED UNDER SECTION (E) BELOW, AND
- (2) THE PROPERTY TAX CREDIT GRANTED UNDER TAX-PROPERTY ARTICLE, SECTION 9-104.
- (E) THE ALLOWABLE PERCENTAGE OF COMBINED GROSS INCOME IS:
- (1) 0% OF THE FIRST \$9,000;
- (2) 5% OF THE NEXT \$1,000;
- (3) 2.5% OF THE NEXT \$2,000;
- (4) 5% OF THE NEXT \$4,000;
- (5) 7.5% OF THE NEXT \$28,000; AND
- (6) 10% OF ANY COMBINED GROSS INCOME OVER \$44,000.
- (F) FOR PURPOSES OF THIS LOCAL SUPPLEMENT TO HOMEOWNERS PROPERTY TAX CREDIT THE LIMITATION ON THE ASSESSED VALUE OF A DWELLING TAKEN INTO ACCOUNT IN DETERMINING TOTAL REAL PROPERTY TAX SHALL BE THE LESSER OF THE ASSESSED VALUE AS DETERMINED BY SDAT OR THREE HUNDRED THOUSAND DOLLARS (\$300,000).

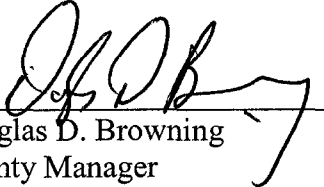
- (G) THE LOCAL SUPPLEMENT TO HOMEOWNERS PROPERTY TAX CREDIT FOR HOME PURCHASERS IS THE AMOUNT OF THE CREDIT MULTIPLIED BY A FRACTION WHERE THE NUMERATOR OF THE FRACTION IS THE NUMBER OF DAYS IN THE TAXABLE YEAR THAT THE HOME PURCHASER ACTUALLY OCCUPIES OR EXPECTS TO ACTUALLY OCCUPY THE DWELLING AS HIS OR HER PRINCIPAL RESIDENCE AND THE DENOMINATOR IS 365 DAYS.
- (H) THIS LOCAL SUPPLEMENT TO HOMEOWNERS PROPERTY TAX CREDIT SHALL BE A CREDIT FROM THE COUNTY REAL PROPERTY TAX IMPOSED PURSUANT TO THE ANNOTATED CODE OF MARYLAND, TAX PROPERTY ARTICLE, SECTION 6-202 AND SHALL ALSO INCLUDE THE TAX OF SPECIAL TAXING DISTRICTS INCLUDING, BUT NOT LIMITED TO THE TAX FOR FIRE AND RESCUE AND LIGHTING SERVICES, IMPOSED PURSUANT TO MARYLAND OR FREDERICK COUNTY LAW.
- (I) THIS LOCAL SUPPLEMENT TO HOMEOWNERS PROPERTY TAX CREDIT IS TO BE ADMINISTERED BY SDAT WITH RESPECT TO ITS APPLICATION AND DETERMINATION OF ELIGIBILITY OF HOMEOWNERS. TAX-PROPERTY ARTICLE, SECTION 9-215 REQUIRES THAT FREDERICK COUNTY REIMBURSE SDAT FOR THE REASONABLE COST OF ADMINISTERING THIS LOCAL SUPPLEMENT TO HOMEOWNERS PROPERTY TAX CREDIT. TO THE EXTENT THAT FREDERICK COUNTY RULES OR REGULATIONS MAY BE REQUIRED WITH RESPECT TO THIS LOCAL SUPPLEMENT TO HOMEOWNERS PROPERTY TAX CREDIT, AUTHORITY TO PROMULGATE THESE RULES AND REGULATIONS IS DELEGATED TO THE DIRECTOR, DIVISION OF FINANCE, FREDERICK COUNTY GOVERNMENT.
- (J) A PERSON WHO KNOWINGLY SUBMITS A FALSE OR FRAUDULENT APPLICATION, OR WITHHOLDS INFORMATION, TO OBTAIN A TAX CREDIT UNDER THIS ORDINANCE MUST REPAY FREDERICK COUNTY FOR ALL AMOUNTS CREDITED AND ALL ACCRUED INTEREST AND PENALTIES THAT WOULD APPLY TO THOSE AMOUNTS AS OVERDUE TAXES AND, IN ADDITION, IS SUBJECT TO ALL FINES AND OTHER PENALTIES AS MAY BE PROVIDED BY LAW. FREDERICK COUNTY MAY ENFORCE THIS SECTION BY APPROPRIATE LEGAL ACTION. A PERSON WHO VIOLATES THIS SECTION IS LIABLE FOR ALL COURT COSTS AND EXPENSES OF THE COUNTY IN ANY CIVIL ACTION BROUGHT BY FREDERICK COUNTY AGAINST THE VIOLATOR.

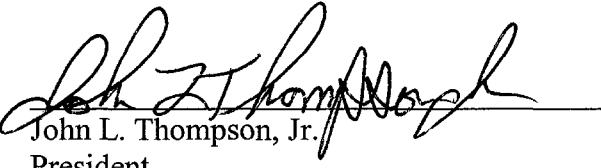
AND BE IT FURTHER ENACTED AND ORDAINED, that this Ordinance shall take effect on June 30, 2005, and shall be applicable to all taxable years beginning after June 30, 2005.

The undersigned hereby certifies that this Ordinance was approved and adopted on the 12th day of May 2005.

ATTEST:

BOARD OF COUNTY COMMISSIONERS
OF FREDERICK COUNTY, MARYLAND


Douglas D. Browning
County Manager


John L. Thompson, Jr.
President

R.J.M.
5-13-05